

SUBJECT: Continuing the State Purchasing and General Services Commission

COMMITTEE: Government Organization: committee substitute recommended

VOTE: 5 ayes — Gibson, Black, Finnell, Hartnett, Naishtat

0 nays

4 absent — A. Hill, Robnett, Smithee, Stiles,

WITNESSES: No public hearing

BACKGROUND: The State Purchasing and General Services Commission is responsible for providing support services for state agencies. These services include purchasing, maintenance of public buildings and grounds, lease of space for state agencies, elimination of architectural barriers, property accounting, holding surplus and salvage property, telecommunication services, competitive cost review programs and travel and transportation.

The agency is included in the Texas Sunset Act and was reviewed by the Sunset Commission during the last interim.

A bill continuing the agency, SB 831 by Barrientos, died in the regular session when the Senate failed to adopt a conference committee report.

DIGEST: CSHB 78 would continue the State Purchasing and General Services Commission under the new name "General Services Commission," until December 31, 1991. It would make a number of changes in the agency's authorizing statute.

Responsibility for telecommunications services, including the telephone service for the capitol complex, would be shifted from the commission to the Department of Information Resources.

The Texas Public Finance Authority would be required to issue, sell and deposit bond proceeds in order to finance projects approved by the Legislature.

The commission would be required to adopt rules for the structure of travel agency services and related contract requirements. Executive branch agencies would be required to participate in state contracted rates for travel services, however institutions of higher education would be exempted from mandatory participation. The State Travel Management Program would be prohibited from entering into a single, statewide contract for travel agency services.

The program for eliminating architectural barriers would be transferred to the Texas Department of Licensing and Regulation. The department would be authorized to contract with other state agencies, political subdivisions, nonprofit organizations and private entities to perform inspections of private buildings that are subject to architectural barrier regulation. Counties with populations under 45,000 would be removed from certain barrier requirements. However, the University of Texas system would no longer be exempt from complying with the architectural barrier program.

State agencies making purchases over \$5,000 would have to solicit bids from all of the eligible vendors that have applied to be on the agencies' bid lists.

The bill would transfer responsibility for the state property accounting system from the commission to the comptroller.

The Competitive Cost Review Program would be eliminated.

CSHB 78 would require that school buses under lease or lease-purchase contracts be subject to the minimum safety specifications used by the commission to purchase buses. School bus leases would have to be acquired through a competitive bidding process, and whenever possible, motor vehicles for school districts would also have to be acquired through competitive bidding.

The commission would be authorized to set the minimum amount of time by which state agencies and school districts would have to convert certain vehicles using traditional engines to use of compressed natural gas or other fuels. Agencies would be allowed one or more 90 day extensions (until September 1, 1992) in which to implement conversion plans.

Whenever possible, electronic building access systems would be used to replace security guards. However, if security guards were necessary, the contractor would have to use retirees for the job.

Public universities would be authorized to provide TEX-AN services to students in university-owned housing on a cost-recovery basis. Participation by a university would be optional, and student participation would be voluntary.

Institutions of higher education could contract for energy conservation improvements to their facilities; however, the costs of such improvements would be limited.

The commission would be required to give preference to energy efficient products and products made from recycled materials, if they met specifications and the cost was equal to or less than other products.

**SUPPORTERS
SAY:**

Changing the commission's name to the "General Services Commission" would make the agency easier to identify and would make the role of the commission less confusing to the public. The cost of the name change in terms of revising signs, vehicle decals and letterhead would be less than \$8,000.

Transferring the state's telecommunications system from the General Services Commission to the Department of Information Resources would allow the state to house all of its information technologies in one agency.

The Public Finance Authority is not now required to issue bonds to finance projects approved by the Legislature. This lack of statutory directive has resulted in delays in important building project developments, such as the purchase of One Capital Square and construction of prison facilities. By requiring the finance authority to issue bonds for such projects, the bill would ensure that financing can be secured with diligent speed.

Requiring executive agencies to participate in the State Travel Management Program would cut the state's traveling costs, since the added travel volume would allow the state to negotiate more favorable contract rates.

The transfer of the architectural barriers program to the Department of Licensing and Regulation would provide additional support for the program's inspection and enforcement activities. More timely inspections and complaint investigations can be conducted from field offices than from a central office in Austin. In addition, the department staff is familiar with their region and can be more effective in the dissemination of information and the identification of violators.

The Competitive Cost Review Program would be eliminated and replaced with a similar program. The new program, called the Privatization Approval Council of Texas (PACT), would be established in another bill, HB 4 by Laney. By reviewing bidding proposals from both public and private entities, PACT would provide a smoother transition toward more privatization in state purchasing than the current cost-review program.

OPPONENTS
SAY:

Transferring the state's telecommunications system from Purchasing and General Services — an operating agency — to the Department of Information Resources — a planning agency — would not be cost-effective. Currently, the telecommunications system functions very well and saves the state money. The proposed transfer is not expected to cut costs. Why tinker with a system that works so well, especially when no cost savings would follow?

NOTES:

The committee substitute to HB 78 added a number of provisions to the original bill. The substitute would transfer the telecommunications system from the commission to the DIR, allow the commission to remove vendors from bid lists, repeal the Competitive Cost Review Program, require the changeover to electronic building access systems, and authorize institutions of higher education to make energy conservation improvements.

One point of disagreement in debate over the sunset bill in the regular session was a provision that would have authorized the executive director of the commission to receive the same supplemental pension benefits as peace officers in the Employees Retirement System. This provision has been deleted from the bill.